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UNITED STATES DEPARTMENT OF AGRICULTURE
WAR FOOD ADMINISTRATION

Farm Security Administration

Water Facilities Program

The Farm Security Administration is responsible for carrying out the Department of Agriculture's Water Facilities program, begun in 1938. For the fiscal year 1943-44, Congress appropriated \$1,000,000 for this purpose. The following question-and-answer outline is a brief explanation of the program, which operates only in the dryland areas of the following 17 Western States: Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington and Wyoming.

What does the Water Facilities Program provide?

It furnishes financing and technical services to individuals and groups of farm families for:

1. Development and utilization of water for irrigation which may involve (a) the installation of new facilities in areas not presently irrigated, or (b) the repair or rehabilitation of existing irrigation systems.
2. Development of water for domestic and livestock purposes at the farmstead in order to provide a healthful source of water for the household, and provide an adequate year-round water supply for livestock, thus promoting a more diversified farm program.
3. Development of water for livestock on the range in order to make the best use of grazing lands.

How is the Water Facilities Program carried out?

1. General policies and proposed activities are coordinated with those of other agencies and interests, governmental or otherwise, in order that there will be no unnecessary duplication of functions.
2. Investigation and planning precedes the processing and approval of loans for development of water and construction of facilities. This preliminary work often discloses legal problems, such as defective titles, liens, litigation of water rights, or water transfers, and, in the case of applications from associations, organizational complications, all of which must be satisfactorily settled.

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3. Before loan dockets are prepared, each individual project is analyzed to ascertain whether it is economically feasible and whether the estimated cost is within the debt-paying ability of the prospective borrower.
4. The preparation of a loan docket involves determinations with respect to adequate water supplies, available security for the loan, eligibility of the applicant to receive financial assistance, and advice to the applicant about readjustment of farm enterprises, improved tenure, if necessary, and the type, cost and design of the facility to be constructed.
5. Upon approval of the loan, the borrower contracts for the construction of the facility in accordance with the plans agreed upon by him and the Water Facilities engineer. The construction is supervised by the engineer to make certain that it is carried out according to plan.
6. Following the construction of the facility, it is necessary to service the loan in order to assure that (a) adequate security is maintained, (b) security instruments are renewed as required by law, (c) the facility is kept in good working order, (d) reserves are set aside for depreciation, and (e) repayments are made as planned. Association-type loans require special attention, such as advising the Boards of Directors about bookkeeping, budgeting, organizational, operational, and maintenance problems and helping the associations maintain an active and informal membership.

What has been accomplished under the Water Facilities program?

1. Since the beginning of the program, about 5,900 Water Facilities loans have been made to individuals. In addition, projects for 106 associations involving about 3,700 families have been financed. A total of 12,511 facilities have been completed or are under construction. They include ponds, reservoirs, wells, conduits, diversion dams, pumping installations, windmills, spring developments, water spreaders, stock-water tanks, facilities for flood irrigation, facilities for recharging underground reservoirs, and irrigation distribution systems.
2. More than 9,500 families have been benefited by the installation of the foregoing facilities.
3. As of March 31, 1943, 3,693,313 acres had been benefited by the installation of facilities for livestock or irrigation purposes.

4. Supplemental water supplies have been provided, systems rehabilitated, and new systems constructed to serve and irrigate 146,125 acres of good land.
5. Federal funds obligated and advanced as loans and grants, together with the status of repayments, are as follows:

Loans as of June 30, 1943

<u>Cumulative Loan Obligations</u>	<u>Amount Actually Advanced to Borrowers</u>	<u>Matured Principal</u>	<u>Repayments</u>	
			<u>Principal</u>	<u>Interest</u>
\$3,495,592	\$2,808,288	\$762,387	\$748,928	\$ 59,167

Grants as of June 30, 1943

\$395,334

Cumulative loan obligations represent the amount of money committed by FSA for loans approved since inception of the program. Of the \$3,495,592 committed, \$2,808,283 had been advanced to borrowers on June 30, 1943. The difference is being held in the Treasury pending applicants' compliance with loan approval conditions. The table shows that \$762,387 principal had matured on all loans and that borrowers had repaid \$748,928 or 98.2 percent of matured principal.

What is the value of the program in terms of food production?

1. One FSA region, composed of three States, reported that if \$1,093,000 were available in 1943-44 for Water Facility loans, and if personnel were available to process the applications and help with construction, farmers could, by developing satisfactory supplies, immediately increase their annual production of food products by the following amounts: dairy products, 327,000 pounds; eggs, 190,000 dozen; poultry, 106,000 pounds; beef, pork, and mutton, 972,000 pounds; hay and grain, 46,473 tons; potatoes, 1,975 hundredweight; beans, 2,310 hundredweight; tomatoes, 150 tons; beets, 812 tons.

2. As of June 1, 1943, the Western Regional FSA offices reported 315 applications on hand and anticipated that 2,500 applications would be received during the next fiscal year. They will include requests for assistance in furnishing supplemental irrigation water for about 250,000 acres and for developing new water supplies for 150,000 acres of new land. About \$5,000,000 would be required to make loans which would result in immediate increased production.